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LR1/jt2 12/22/2015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Commission Approval Under Public Utilities Code Section 851 to Sell the Merced Falls Hydroelectric Project to Merced Irrigation District.

Application 15-04-003
(Filed April 1, 2015)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO

Pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure (Rules),¹ this Scoping Memo sets forth the procedural schedule and addresses the scope of this proceeding and other procedural matters following the prehearing conference held on August 18, 2015.

1. Background

On April 1, 2015, Pacific Gas and Electric Company (PG&E) filed an application for Commission Approval Under Public Utilities Code Section 851, and Articles 2, 3, and 7 of the Commission's Rules of Practice and Procedure, to Sell the Merced Falls Hydroelectric Project to Merced Irrigation District. PG&E also requests approval of a ratemaking treatment and Conservation Easement conveying a permanent conservation easement to the Sierra Foothill Conservancy in accordance with terms and conditions specified in PG&E's

¹ All references to Rules are to the Commission's Rules of Practice and Procedure, which are available on the Commission's website at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M089/K380/89380172.PDF>.

bankruptcy Settlement Agreement and related Stipulation Resolving Issues Regarding the Land Conservation Commitment approved by the Commission in Decision 03-12-035.

The Commissions Office of Ratepayer Advocates (ORA) filed a protest on May 4, 2015. ORA protests PG&E's requests to burden ratepayers with the entire \$5.54 million loss-on-sale as unreasonable, inconsistent with the law, and against the public interest.

On May 14, 2015 PG&E filed a Reply to the Office of Ratepayer Advocates Protest to its Application.

By Ruling dated August 3, 2015, a prehearing conference (PHC) was set for August 18, 2015.

On August 18, 2015, a PHC was held to determine the parties, positions of the parties, issues, and other procedural matters.

2. Category, Need for Hearing, and *Ex Parte* Rules

The Commission preliminarily categorized this Application as ratesetting as defined in Rule 1.3(e) and anticipated that this proceeding would require evidentiary hearings. The parties did not oppose the Commission's original preliminary categorization. This ruling does not change the preliminary determination that hearings are not, at this time, required.

In accordance with Rule 8.3(c) *ex parte* communications are subject to the reporting requirements set forth in Rule 8.4.

3. Scope of Proceeding

The following issue is within the scope of this proceeding:

- How to allocate the loss that is going to be incurred upon the sale of this facility.

4. Proceeding Schedule

A check-in meeting was held on November 5, 2015. Parties had yet to reach a settlement agreement. A schedule was proposed and is adopted here, with slight modifications of dates to accommodate Commission resources.

December 21, 2015	Scoping Ruling Issued
December 4, 2015	PG&E Testimony
January 22, 2016	ORA Testimony
February 12, 2016	PG&E Rebuttal Testimony
March 9 -10, 2016	Evidentiary Hearings
March 16, 2016	Concurrent Opening Brief
March 30, 2016	Concurrent Reply Brief
TBD by ALJ	Proposed Decision

If there are any workshops in this proceeding, notice of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

Consistent with Pub. Util. Code § 1701.2(d), the Commission anticipates that this proceeding will be completed within 18 months of the date of this scoping memo.

5. Presiding Officer

Pursuant to Rule 13.2, I designate Administrative Law Judge (ALJ) Karl J. Bemesderfer.

6. Filing, Service, and Service List

In this proceeding, there are several different types of documents participants may prepare. Each type of document carries with it different obligations with respect to filing and service.

Parties must file certain documents as required by the Commission Rules or in response to rulings by either the assigned Commissioner or the assigned ALJ. All formally filed documents must be filed with the Commission's Docket Office and served on the service list for the proceeding. Article 1 of the Rules contains all of the Commission's filing requirements. Parties must file and serve all pleadings and serve all testimony, as set forth in Article 1 of the Commission's Rules. Parties are encouraged to file and serve electronically, whenever possible, as it speeds processing of the filings and allows them to be posted on the Commission's website. More information about electronic filing is available at <http://www.cpuc.ca.gov/puc/efiling>.

This proceeding will follow the electronic service protocols adopted by the Commission in Rule 1.10 for all documents, whether formally filed or just served. This Rule provides for electronic service of documents, in a searchable format, unless the party or state service list member did not provide an e-mail address. If no e-mail address was provided, service should be made by U.S. mail. Concurrent e-mail service to ALL persons on the service list for whom an e-mail address is available, including those listed under "Information Only," is required. Parties are expected to provide paper copies of served documents upon request.

E-mail communication about this case should include, at a minimum, the following information on the subject line of the e-mail: A.15-01-007 -Velocity. In addition, the party sending the e-mail should briefly describe the attached communication; for example, Comments. Both an electronic and a hard copy should be served on the ALJ.

The official service list for this proceeding is available on the Commission's web page. Parties should confirm that their information on the service list is

correct, and serve notice of any errors on the Commission's Process Office. Prior to serving any document, each party must ensure that it is using the most up to date service list. The list on the Commission's website meets that definition.

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or who has questions about the electronic filing procedures should contact the Commission's Public Advisor at (866) 849-8390, or (415) 703-2074, or (866) 836-7825 (TTY-toll free), or send an e-mail to public.advisor@cpuc.ca.gov.

IT IS RULED that:

1. The issues and schedule are set forth in the body of this ruling unless amended by a subsequent ruling by the Presiding Officer.
2. This proceeding is categorized as ratesetting. The ruling as to categorization is appealable pursuant to Rule 7.6 of the Commission's Rules of Practice and Procedure.
3. This proceeding requires evidentiary hearings.

All *ex parte* communications with decision makers are subject to the reporting requirements set forth in Rule 8.4.

4. Pursuant to Rule 13.2, Administrative Law Judge Karl Bemesderfer is the Presiding Officer.

Dated December 22, 2015, at San Francisco, California.

/s/ LIANE M. RANDOLPH
Liane M. Randolph
Assigned Commissioner